## Exhibit 1

## UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA NORTHERN DIVISION

CHARLIE THORNTON,	
Plaintiff,	)
v.	) Civil Action No. ) 2:05-cv-00656-MEF
FEDEX GROUND PACKAGE SYSTEM, INC.,	) ) )
Defendant.	) ) )

## AFFIDAVIT OF TIMOTHY EDMONDS

STATE OF PENNSYLVANIA	
	:
COUNTY OF BUTLER	)

Before me, the undersigned authority in this County and State, personally appeared Timothy Edmonds, who, having first been duly sworn, deposed and stated as follows:

- 1. My name is Timothy Edmonds, and I am the Managing Director of Contractor Relations for FedEx Ground Package System, Inc ("FedEx Ground"), which has its main office in Moon Township, Pennsylvania.
  - 2. I am over twenty-one years of age.
- 3. I have worked for Roadway Package Systems, Inc. ("RPS"), which became FedEx Ground in 2000, since January 22, 1990. I began my service as the Terminal Manager at the Oshkosh, Wisconsin RPS terminal. In February of 1992, I was promoted to Senior

Manager of Contractor Relations and, in July of 1999, was promoted to Director of Contractor Relations. The title of my current position at FedEx Ground is Managing Director of Contractor Relations.

- 4. The facts that are contained in this affidavit are known to me because of my position as Managing Director of Contractor Relations at FedEx Ground. Through my position, I have acquired knowledge and understanding of FedEx Ground's processes and procedures for the contracting of Independent Contractors to provide services under the FedEx Home Delivery Standard Operating Agreement (the "Operating Agreement").
- 5. In 1985, Roadway Package Systems ("RPS") was formed by a number of transportation industry veterans to compete in the small-package pick-up and delivery business.
- 6. A critical element of RPS was its delegation of the pick-up, carriage, and delivery of customer packages to "Independent Contractors". The utilization of Independent Contractors has have been a mainstay of the trucking and transportation industries for more than sixty years.
- 7. Within ten years, RPS had several thousand pick-up and delivery routes with nationwide coverage, which were serviced by Independent Contractors who owned their own trucks and vans, hired and fired their own drivers, and effectively ran their own businesses.
- 8. RPS was acquired by the FedEx Corporation in 1998. In 2000, the name of the company was changed to FedEx Ground.
- 9. FedEx Home Delivery is an operating division within FedEx Ground that is focused on the business of small-package residential delivery. FedEx Ground itself is a

wholly-owned subsidiary of the FedEx Corporation, a publicly-traded company.

- 10. FedEx Ground utilizes Independent Contractors in its residential package delivery business, which provides FedEx Ground with a distinct advantage in the industry.

  Independent Contractors, as opposed to employees, are motivated by the potential for economic reward based on their own productivity and entrepreneurial ingenuity within a service area or areas in which they have a proprietary interest.
- 11. Each Independent Contractor is an owner-operator of one or more pieces of trucking equipment suitable for use to provide agreed service under the terms of the Operating Agreement. Independent Contractors provide their own equipment, which they purchase or lease. Independent Contractors may purchase vehicles from FedEx Ground. They are also permitted to purchase vehicles from dealers not related to FedEx Ground.
- 12. Independent Contractors must be able to meet the customer-service standards set forth in the Operating Agreement and ensure that all persons whom they employ are also fully capable of meeting those standards.
- 13. Independent Contractors agree to provide and utilize the vehicular equipment identified in the most recent Addendum 1 of the Operating Agreement.
- 14. Upon meeting contractual and applicable regulatory requirements to become a qualified Independent Contractor with FedEx Ground, an aspiring Independent Contractor signs an Operating Agreement.
- 15. The Operating Agreement is the unitary form for any "offer" and "acceptance" of a FedEx Ground Independent Contractor position.
- 16. The Operating Agreement is FedEx's "offer," and when a potential Independent Contractor signs the Operating Agreement, he or she has accepted the terms of FedEx

Ground's offer. When the Operating Agreement is signed by both the potential Independent Contractor and an authorized representative of FedEx Ground, the potential Independent Contractor becomes a Independent Contractor.

- 17. The Operating Agreement defines the relationship between FedEx Ground and its Independent Contractors. All Independent Contractors are subject to the Operating Agreement. FedEx Ground managers are not authorized to alter or change the terms of the Operating Agreement. The FedEx Home Delivery Operating Agreement was drafted by FedEx Home Delivery to define—and secure the fulfillment of—its primary objective: timely, efficient, and courteous small-package delivery. The Operating Agreement sets out in considerable detail the terms of the relationship between each Independent Contractor and FedEx Home Delivery, and both parties are bound by the Operating Agreement once it has been executed by the Independent Contractor and FedEx Ground.
- 18. Under no circumstances does FedEx Home Delivery retain the services of Independent Contractors who have not executed an Operating Agreement.
- 19. The Operating Agreement provides that each Independent Contractor has a proprietary interest in his or her service area. The Operating Agreement provides the Independent Contractor with the opportunity to participate in the economic growth of contractual service areas by permitting the Independent Contractors to sell part or all of their service areas to other Independent Contractors, and to purchase the service areas of other Independent Contractors. These service areas, or "Work Areas," are defined by and governed by the Operating Agreement.
- 20. The geographic scope and existence of any particular Work Area is subject to the decision of Independent Contractors to buy or sell entire or partial Work Areas, as well as

by the decision of customers to utilize the services of FedEx Ground.

21. I hereby declare, under penalty of perjury, that the facts stated in this Affidavit are true and correct.

Timothy Edmonds

Sworn to and subscribed before me on this the day of April 2006.

Notary Public

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal Timothy C. Rogers, Notary Public Cranberry Twp., Butler County My Commission Expires Nov. 8, 2007

Member, Pennsylvania Association Of Notaries